

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2013
CONDENSED CONSOLIDATED INCOME STATEMENT

(The figure has not been audited)

	4TH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Dec-13 RM '000	Unaudited 31-Dec-12 RM '000	Unaudited 31-Dec-13 RM '000	Unaudited 31-Dec-12 RM '000
Revenue	649	20,841	8,859	114,743
Cost of Sales ##	(1,714)	(23,688)	(13,182)	(117,025)
Gross Profit/(Loss)	<u>(1,065)</u>	<u>(2,847)</u>	<u>(4,323)</u>	<u>(2,282)</u>
Other Operating Income / (Loss)	252	(1,605)	(72)	(337)
Depreciation Expense ##	(699)	(1,274)	(2,925)	(3,563)
Operating Expenses	(1,463)	(3,172)	(20,359)	(7,608)
Profit/(Loss) from Operations	<u>(2,975)</u>	<u>(8,898)</u>	<u>(27,679)</u>	<u>(13,790)</u>
Finance Costs	(1,620)	(1,433)	(4,764)	(3,582)
Profit/(Loss) before Taxation	<u>(4,595)</u>	<u>(10,331)</u>	<u>(32,443)</u>	<u>(17,372)</u>
Taxation	(3,389)	-	83	687
Profit/(Loss) after Taxation from Continueing Operations	<u>(7,984)</u>	<u>(10,331)</u>	<u>(32,360)</u>	<u>(16,685)</u>
(Loss)/Profit after Taxation from Discontinued / Disposal Group	-	-	-	-
Net Profit / (Loss) after MI	<u><u>(7,984)</u></u>	<u><u>(10,331)</u></u>	<u><u>(32,360)</u></u>	<u><u>(16,685)</u></u>
Profit / (Loss) attributable to:				
Owners of the Company	(7,984)	(10,331)	(32,360)	(16,685)
Non Controlling Interests	-	-	-	-
Profit / (Loss) for the period	<u><u>(7,984)</u></u>	<u><u>(10,331)</u></u>	<u><u>(32,360)</u></u>	<u><u>(16,685)</u></u>
Weighted Average Number of Ordinary Shares in issue	130,000	130,000	130,000	130,000
Earnings Per Share (sen) # attributable to owners of the Company:				
Basic (sen)	<u>(6.14)</u>	<u>(7.95)</u>	<u>(24.89)</u>	<u>(12.83)</u>
Fully diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

NOTE:

EARNINGS per share is calculated based on the Net Profit After MI divided by the number of ordinary shares of RM 0.50 each in issue as at END OF PERIOD.

DEPRECIATION reclassified from Cost of Sales to disclose as separate item.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figure has not been audited)

	4TH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	Unaudited 31-Dec-13 RM '000	Unaudited 31-Dec-12 RM '000	Unaudited 31-Dec-13 RM '000	UnAudited 31-Dec-12 RM '000
Profit / (Loss) for the period	(7,984)	(10,331)	(32,360)	(16,685)
Other Comprehensive Income/(Loss), Net of Tax:				
Surplus on revaluation of properties	-	-	-	4,670
Income Tax relating to components of other comprehensive income	-	-	-	-
Realisation of revaluation reserve upon depreciation of revalued assets	1,824		1,824	
Transfer of revaluation reserve to accumulated loss	(1,824)		(1,824)	
Other Comprehensive Income/(Loss) for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,670</u>
Total Comprehensive Income/(Loss) for the period	<u>(7,984)</u>	<u>(10,331)</u>	<u>(32,360)</u>	<u>(12,015)</u>
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	(7,984)	(10,331)	(32,360)	(12,015)
Non-controlling interests	-	-	-	-
Total Comprehensive Income/(Loss) for the period	<u>(7,984)</u>	<u>(10,331)</u>	<u>(32,360)</u>	<u>(12,015)</u>

NOTES TO STATEMENT OF COMPREHENSIVE INCOME:
(Additional information)

	4TH QUARTER CURRENT YEAR	4TH QUARTER PRECEDING YEAR	CUMMULATIVE CURRENT YEAR	CUMMULATIVE PRECEDING YEAR
	Unaudited 31-Dec-13 RM ' 000	Unaudited 31-Dec-12 RM ' 000	Unaudited 31-Dec-13 RM ' 000	Unaudited 31-Dec-12 RM ' 000
Profit / (Loss) for the period is arrived at after charging and crediting the following:				
Depreciation and Amortization	(699)	(1,274)	(2,925)	(3,563)
Provision for impairment of PPE	(1,142)	-	(4,142)	-
Provision for impairment of Development Expenditure	-	-	(2,546)	-
Provision for impairment of Receivables	-	-	(612)	73
Written down of Inventories	(1,409)	-	(7,361)	-
Property Plant Equipment written off	-	-	-	-
Foreign Exchange gain or loss	-	-	-	-
Fair value Gain / (Loss) on derivative financial instruments	-	30	-	(256)
Exceptional items:				
Insurance claim	-	-	-	626
Prior year expense write off no longer required	-	-	-	-
Provision for Retrenchment Expenses	-	-	(3,600)	-
Write back of Non-Trade debts	-	-	-	-
Gain / (Loss) on Disposal of Property Plant Equipment	-	-	-	-

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

IRM GROUP BERHAD (628000-T)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 4th QUARTER ended 31 DECEMBER 2013
CONDENSED CONSOLIDATED BALANCE SHEET

(The figure has not been audited)

	Unaudited 31-Dec-13 RM '000	Audited 31-Dec-12 RM '000
PROPERTY, PLANT & EQUIPMENT	19,795	72,933
DEVELOPMENT COST / INTANGIBLE ASSETS	10,686	4,295
CURRENT ASSETS		
Inventories	337	14,753
Trade debtors	166	4,743
Other debtors, deposits and prepayments	268	1,946
Taxation (Recoverable)	-	507
Deposit with licensed bank	233	414
Cash and bank balances	744	1,319
	1,748	23,681
Property classified as Held for Sale	44,859	-
	46,607	23,681
CURRENT LIABILITIES		
Trade creditors	706	8,330
Finance Lease Liabilities (HP creditors)	158	206
Other creditors and accruals	14,919	12,670
Amount due to a Director	-	3
Short Term Borrowings	57,497	41,130
Taxation payable	220	-
	73,500	62,339
Liabilities associated with Assets classified as Held for Sale	-	-
	73,500	62,339
NET CURRENT ASSETS	(26,893)	(38,657)
	3,588	38,570
FINANCED BY		
Share capital	65,000	65,000
Share Premium	2,063	2,063
Revaluation Reserves	12,469	14,293
Retained profit / (Loss)	(46,672)	(30,152)
Profit / (Loss) for the period	(32,360)	(18,344)
Shareholders Fund	500	32,860
Minority Interest	-	-
	500	32,860
Long Term borrowings	-	1,624
Provision for Retirement benefits	-	150
Deferred tax liabilities	2,864	3,472
Finance Lease Liabilities (HP Creditors)	224	464
	3,588	38,570
Net Assets ("NA") per share (sen) #	0.4	25.3

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

NOTE:

NA per share is calculated based on the NA divided by the number of ordinary shares of RM 0.50 each in issue as at END OF PERIOD.

IRM GROUP BERHAD (628000-T)
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Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figure has not been audited)

UNAUDITED as at 31 DECEMBER 2013	Non-Distributable		Non-Distributable		Distributable	Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Retained Profit/(Loss)				
As at 1 January 2013	65,000	2,063	14,293	(48,496)	32,860	-	32,860	
Other Comprehensive Income / (Loss):								
Revaluation Reserve arising from revalued assets	-	-	-	-	-	-	-	-
Transferred to deferred taxation	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	-	-	-	-	-
Realisation of revaluation reserve on depreciation of revalued asset	-	-	(1,824)	1,824	32,860	-	32,860	
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for the period	-	-	12,469	(32,360)	(32,360)	-	(32,360)	
As at 31 December 2013	65,000	2,063	12,469	(79,032)	500	-	500	

AUDITED as at 31 DECEMBER 2012	Non-Distributable		Non-Distributable		Distributable	Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Retained Profit/(Loss)				
Balance at 1 January 2012	65,000 *	2,063	11,307	(32,169)	46,201	-	46,201	
Effect of adopting FRS	-	-	-	-	-	-	-	-
Balance at 1 January 2012	65,000	2,063	11,307	(32,169)	46,201	-	46,201	
Other Comprehensive Income / (Loss):								
Revaluation reserve arising from revalued assets	-	-	-	-	-	-	-	-
Transferred to deferred taxation	-	-	-	-	-	-	-	-
Realisation of revaluation reserve on depreciation of revalued asset	-	-	2,986	2,017	5,003	-	5,003	
Net profit / (Loss) for the period / Total Comprehensive Income / (Loss) for financial year	-	-	14,293	(30,152)	51,204	-	51,204	
Balance at 31 December 2012	65,000	2,063	14,293	(18,344)	(18,344)	-	(18,344)	
				(48,496)	32,860		32,860	

This statement should be read in conjunction with the the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

NOTE:

* This includes RM2 comprising 4 ordinary shares of RM0.50 each.

IRM GROUP BERHAD (628000-T)
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Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2013
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figure has not been audited)

	Unaudited 31-Dec-13 RM '000	Audited 31-Dec-12 RM '000
Cash flows from/ (used in) operating activities		
Profit/(Loss) before taxation -		
Continuing Operations	(32,443)	(18,473)
Discontinued Operations	-	-
Adjustment for:		
Deposit written off	-	1,050
Fair value loss/(gain) on derivative financial instrument	-	(3)
Depreciation	2,925	3,333
Provision for impairment of PPE	4,142	-
Provision for impairment of Development Expenditure	2,546	-
Provision for impairment of Receivables (net)	612	-
Provision for and written down of Inventories	7,361	-
Allowance for Retirement benefits & other accrued expenses	3,960	22
Unrealised Loss / (Gain) on Foreign Exchange	-	7
Interest expenses	4,764	3,330
Allowance for Doubtful Debts	-	2,500
Allowance for Doubtful Debts - No longer required	-	(1,357)
Bad Debts Written Off	-	47
Inventories Written Off	-	544
Interest income	-	(10)
Operating profit/(loss) before working capital changes	<u>(6,133)</u>	<u>(9,010)</u>
Changes in working capital:		
Inventories	7,055	13,067
Receivables	5,123	9,697
Payables	(14,762)	(13,802)
Net cash flows from/ (used in) operating activities	<u>(8,717)</u>	<u>(49)</u>
Taxation (paid) / recovered	119	(5)
Net cash generated from/(used in) operating activities	<u>(8,598)</u>	<u>15</u>
Cash flows from/ (used in) investing activities		
Deferred expenditure incurred	-	(1,663)
Development costs incurred	(5,367)	(621)
Interest Income received	-	10
Proceeds from disposal of assets held for sale	3,408	-
Purchase of property, plant and equipment	-	(1,044)
Net cash generated from/(used in) investing activities	<u>(1,959)</u>	<u>(3,317)</u>
Cash flows from/ (used in) financing activities		
Drawdown / (Repayments) of borrowings	13,233	(206)
Repayments of Term Loan	(1,626)	(3,093)
Hire Purchase proceeds / (repayment)	(512)	-
Interest paid	(2,058)	(3,167)
Bills Payable	-	(645)
Drawdown/(placement) of fixed deposits	(11)	11,505
Net cash generated from/(used in) financing activities	<u>9,026</u>	<u>4,394</u>
Net increase/(decrease) in cash and cash equivalents	<u>(1,531)</u>	<u>1,091</u>
Cash and cash equivalents brought forward	<u>(136)</u>	<u>(1,227)</u>
Cash and cash equivalents carried forward	<u>(1,667)</u>	<u>(136)</u>
Cash and cash equivalent comprise of:		
Cash and Bank balances	744	1,319
Deposits with licensed banks	233	414
Overdraft (in Bank Borrowings)	(2,644)	(1,869)
	<u>(1,667)</u>	<u>(136)</u>
Cash and Bank Balance classified as held for sale	-	-
Fixed deposits with banks classified as held for sale	-	-
	<u>(1,667)</u>	<u>(136)</u>

This statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly report on consolidated results for the 4TH QUARTER ended 31 DECEMBER 2013

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report are unaudited and have been prepared in compliance with MFRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

The financial statements of the Group are prepared on the historical cost basis except as disclosed in the notes to this statement and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standard.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The transition to the MFRS framework does not have any material financial impact to the financial statements of the Group.

A2a Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 December 2012 were prepared in accordance with FRS. Except for certain differences, the requirements for FRS and MFRS are similar. The significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the following MFRSs, amendments to MFRSs and Issues Committee (IC) Interpretation which are relevant to the Group's operation with effect from 1 January 2013:

Revised MFRS 124:	Related Party Disclosures
Amendments to MFRS 112:	Income Taxes
Amendments to MFRS 1:	First time Adoption on a Fixed Dates and Hyperinflation
Amendments to MFRS 7:	Financial Instruments: Disclosures on Transfer of Financial Assets

The adoption of the above standards and interpretations are not expected to have any significant impact on the financial statements of the Group in the year of initial application.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

		Effective for Financial period beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	01-Jan-15
MFRS 10	Consolidated Financial Statements	01-Jan-13
MFRS 11	Joint Arrangements	01-Jan-13
MFRS 12	Disclosures of Interest in Other Entities	01-Jan-13
MFRS 13	Fair Value Measurement	01-Jan-13
MFRS 119	Employee Benefits (as amended in June 2011)	01-Jan-13
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)	01-Jan-13
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)	01-Jan-13
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	01-Jan-13
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	01-Jul-12
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	01-Jan-14
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	01-Jan-13

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A2b Comparatives

The are no comparative amounts to be restated due to the adoption of new and revised MFRSs.

A2c Audit report of preceding annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A3 Seasonal or cyclical factors

The company for the time being is not carrying out operation temporarily. Therefore no seasonal and cyclical factors is relevant.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There is no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements save as disclosed in the note to the statement of comprehensive income, note A16 and B6

Due to financial constraint and negative business environment, IRMSB has temporarily ceased production of our core business.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current financial quarter.

A6 Debt and equity securities

Proposed repurchase of the Company's shares

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A7 Dividend paid

No dividend has been paid in the current financial quarter.

IRM GROUP BERHAD (628000-T)
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A8 Segment information

The Group's operation comprises 3 different business segments from 3 operating units:

- (a) Manufacture of PVC Resins and Compounds (Raw Materials for downstream fabrication applications)
- (b) Manufacture of downstream fabricated applications (PVC Pipes and Calendered/Wood Composite Products)
- (c) Renewable Energy Operations (produce electric power via solar farm and biomass power plant)

OPERATING UNITS' BUSINESS	Current 4th Quarter		Preceding 4th Quarter	
	Profit/(Loss) after		Profit/(Loss) after	
	<u>Revenue</u> RM '000	<u>taxation</u> RM '000	<u>Revenue</u> RM '000	<u>taxation</u> RM '000
Renewable Energy - Solar farm & Biomass power plant	-	-	-	-
PVC Resins and Compounds	-	(11,292)	20,692	(8,917)
Downstream Fabricated Applications - Pipes & Calendaring #	649	(4,483)	1,602	(1,270)
	649	(15,775)	22,294	(10,187)
less: Inter-Segment Sales	-	-	(1,453)	-
add: Holding Company	-	(44)	-	(144)
add: Goodwills / Assets Diminution / Interco debt	-	7,835	-	-
Total	649	(7,984)	20,841	(10,331)

OPERATING UNITS' BUSINESS	Cummulative Current 4th Quarter		Cummulative Preceding 4th Quarter	
	Profit/(Loss) after		Profit/(Loss) after	
	<u>Revenue</u> RM '000	<u>taxation</u> RM '000	<u>Revenue</u> RM '000	<u>taxation</u> RM '000
Renewable Energy - Solar farm & Biomass power plant	-	(47)	-	-
PVC Resins and Compounds	7,394	(34,007)	114,709	(15,083)
Downstream Fabricated Applications - Pipes & Calendaring #	1,916	(4,993)	3,889	(1,128)
	9,310	(39,047)	118,598	(16,211)
less: Inter-Segment Sales	(451)	(702)	(3,855)	-
add: Holding Company	-	(446)	-	(474)
add: Goodwills / Assets Diminution	-	7,835	-	-
Total	8,859	(32,360)	114,743	(16,685)

SEGMENT ASSETS & LIABILITIES	Current 4th Quarter		Preceding 4th Quarter	
	@ 31 Dec 2013		@ 31 Dec 2012	
	<u>Assets</u> RM '000	<u>Liabilities</u> RM '000	<u>Assets</u> RM '000	<u>Liabilities</u> RM '000
Renewable Energy - Solar farm & Biomass power plant	11,263	5,316	2,547	5
PVC Resins and Compounds	75,764	71,967	102,890	61,867
Downstream Fabricated Applications - Pipes & Calendaring #	1,273	10,613	6,708	9,548
	88,300	87,896	112,145	71,420
less: Unallocated / Consolidation adjustments	(11,212)	(11,308)	(219)	(9,481)
Total	77,088	76,588	111,926	61,939

No segmental information by geographical location is provided as the Group operates predominantly in Malaysia.

NOTE: # Liabilities of Downstream Fabrication Applications are intercompany debts.

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A9 Valuation of property, plant and equipment

The property, plant and equipment of the Group are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses. The valuation of the property, plant and equipment (for land and buildings) have been brought forward without amendment from the previous audited financial statements for the year ended 31 December 2012.

A10 Material events subsequent to the end of the quarter

There is no material events subsequent to the end of the quarter save as disclosed in A11, B6 and B9 of the announcement

A11 Changes in the composition of the Group

There were no changes in the composition of the Group reported in the previous audited financial statement that will have effect in the current financial quarter under review except for the following changes:

The paid up capital of a wholly owned subsidiary IRM COMPOSITE SDN BHD was increased by RM1.903 million by issues of shares to IRMGB to offset the amount owing to the holding company.

The paid up capital of a wholly owned subsidiary IRM SOLAR SDN BHD was increased by RM1,468,492 to RM 4,013,494 on 23 March 2013 by issues of shares to IRMGB to offset the amount owing to the holding company.

The paid up capital of IRM SOLAR SDN BHD was further increased by RM1,986,506 to RM6,000,000 on 21 October 2013 by issues of shares to IRMGB to offset the amount owing to the holding company.

A12 Contingent liabilities

The contingent liability of the Group comprising bank guarantee for the performance bond amounting to RM187,500.

The gross banking facilities is approximately RM57 million (including Term Loan) and RM 1 million for 2 different subsidiaries. The company has given corporate guarantee for all the banking facilities.

A13 Capital commitments

There were no capital commitments as at the date of this announcement save as follows. A subsidiary IRM Solar Sdn Bhd has issued conditional offers for supplies of plant and equipment for the Solar farm project totalling to RM30.0 million.

A14 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

A15 Cash and cash equivalents

	As at 31-Dec-13 RM('000)	As at 31-Dec-12 RM('000)
Cash and cash equivalent comprise of:		
Cash and Bank balances	744	1,319
Deposits with licensed banks	233	414
Overdraft (in Bank Borrowings)	(2,644)	(1,869)
	<u>(1,667)</u>	<u>(136)</u>
Cash and Bank Balance classified as held for Sale	-	-
Fixed Deposits with Banks classified as held for Sale	-	-
	<u>(1,667)</u>	<u>(136)</u>

A16 Inventories

During the period under review, an additional written down of RM1.4 million was made upon considering the fair value of the inventories.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

	CORRESPONDING PRECEDING YEAR QUARTER ended 31-Dec-12 RM' 000	CURRENT YEAR QUARTER ended 31-Dec-13 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	20,841	649	(20,192)
Consolidated Profit/(Loss) Before Tax	(10,331)	(4,595)	5,736
less: Taxation	-	(3,389)	(3,389)
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(10,331)	(7,984)	2,347
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(10,331)	(7,984)	2,347

As mentioned earlier the Group has decided to temporarily cease operation. For the quarter our sales were purely related to disposal of ongoing stock and orders and sales of some old stock, and hence the significant drops in sales. To make a comparison with the previous quarter sales and current is not appropriate.

Included in the current period under review were provision for impairment of plant & equipment of RM1.142 million and reversal of deferred tax liabilities of RM3.4 million after considering further professional advice.

Detailed Segment Analysis:

	Current 4th Quarter		Cumulative Quarter	
	Revenue	Profit/Loss after Tax	Revenue	Profit/Loss after Tax
	RM '000	RM '000	RM '000	RM '000
Renewable Energy Operations	-	(47)	-	(47)
PVC Resins & Compounds	-	(3,947)	7,394	(26,665)
Downstream Fabricated Applications	649	(3,990)	1,916	(4,500)
TOTAL	649	(7,984)	9,310	(31,212)
less: Intersegment Sales	-	-	(451)	-
	<u>649</u>	<u>(7,984)</u>	<u>8,859</u>	<u>(31,212)</u>

B2 Variation of results against immediate preceding quarter

Explanations of comparative figures for the current Quarter and the immediate preceding Quarter are as follows:

	IMMEDIATE PRECEDING QUARTER ended 30-Sep-13 RM' 000	CURRENT QUARTER ended 31-Dec-13 RM' 000	CHANGES RM' 000
Revenue - Continued Operations	833	649	(184)
Consolidated Profit/(Loss) Before Tax	(17,955)	(4,595)	13,360
less: Taxation	3,472	(3,389)	(6,861)
Consolidated Profit/(Loss) After Tax			
Continuing Operations	(14,483)	(7,984)	6,499
Discontinued Operations / Disposal Group	-	-	-
Minority Interest (MI)	-	-	-
Net Profit/(Loss) After MI	(14,483)	(7,984)	6,499

The same commentary as in Notes B1 is applicable.

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B3 Prospects

The Group on 25 February 2013 and 31 May 2013 has announced that it is now classified as an affected listed issuer under Practice Notes No. 1 and 17 of Bursa Malaysia Listing requirement (PN1 and PN 17) respectively. The Group has temporarily ceased business and it is now focused on completing the Solar Farm and preparing / reviewing plan for possible relocation of the plant and to uplift the Group from PN17 status.

The PN1 classification was attributed to its wholly owned subsidiary, Industrial Resins (Malaysia) Sdn Bhd ("IRMSB") which was unable to service its outstanding borrowings on the due dates. Whilst the PN17 classification was triggered subsequent to the Group's announcement that its shareholders' equity on a consolidated basis for the quarter ended 31 March 2013 was less than 50% of the issued and paid-up capital and the auditors have expressed an emphasis of matter on its ability to continue as a going concern in its audited financial statements for the financial period ended 31 December 2012.

Pursuant to PN17 requirement, the Group is required to submit its regularization plan within 12 months from the date of its first announcement. The Group is presently working with the advisers towards formulating the plan to regularize its financial condition and has taken necessary measures to address the situation, among others as follows:

- i. Disposal of its major assets namely a 2 pieces of lands in Tampoi for RM34 million and Chemical Storage Tank in Pasir Gudang for RM12.5 million where the proposed disposals have been approved by the shareholders in the general meeting held on 30 January 2014.
- ii. Disposal of other identified assets in order to further pare down outstanding borrowing;
- iii. Relocation of plants;
- iv. Discussion with banks for the proposed settlement arrangement; and
- v. Pursuing with various parties for a proposed assets injection and capital raising.

B4 Variance of Group's Actual against Profit Forecast and profit guarantee

The Group has not provided any quarterly profit forecast and therefore no variance information is available for presentation.

The Group did not announce any profit guarantee.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>
	<u>@31 Dec 13</u>	<u>@31 Dec 12</u>	<u>@31 Dec 13</u>	<u>@31 Dec 12</u>
	RM '000	RM '000	RM '000	RM '000
Current Year Taxation	-	-	-	-
Tax adjustment	(3,389)	-	83	687
Total tax expenses	<u>(3,389)</u>	<u>-</u>	<u>83</u>	<u>687</u>
Effective Tax Rate	-73.8%	0.0%	0.3%	4.0%

In view of substantial unabsorbed accumulated losses and the cessation of company's operation, no tax is payable for the current period whilst included in the current period was a reversal of RM3.4 million deferred tax liabilities done after professional advice was sought.

B6 Status of Corporate Proposals announced

- i On 13 March 2012, the Company announced that its wholly owned subsidiary, IRM Solar Sdn Bhd, has been granted the Feed-in Tariff ("FIT") Approval by Sustainable Energy Development Authority Malaysia to install Solar PV Power Station Non-Individual (>1MW<=5MW) with maximum capacity of 5.0 MW at Perlis. The project is under development.
- ii IRMSB, on 5 September 2013, had entered into a Sales and Purchase Agreement with Pyramid Presentations Sdn. Bhd. ("PPSB") for the disposal of lands held under Geran 37838, Lot No. 2064 and Geran 29462, Lot 2065 both of Mukim Tebrau, District of Johor Bahru, State of Johor measuring approximately 5.4885 hectare for a total consideration of RM34 million. The shareholders, during the general meeting held on 30 January 2014, had approved the proposal. Based on the agreement, the purchaser is now granted six (6) months to pay the remaining consideration and complete the transaction.

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B6 Status of Corporate Proposals announced (continue)

iii. IRMSB had on 9 December 2013 entered into a conditional sale and purchase agreement ("SPA") with the Purchaser for the disposal of the Chemical Storage Terminal and the remainder of the Lease, or that the present Lease is to be terminated and a new lease entered into at the option of the Purchaser, for a total cash consideration of RM12,500,000. The shareholders, during the general meeting held on 30 January 2014, had approved the proposal. The company and the purchaser will proceed with the completion of the agreement soonest practical.

iv. The Company, on 11 February 2014, had entered into the Agreement with Permintex Automotive Sdn Bhd (PASB) to set out the basis of their co-operation with a view of achieving the following objectives:-

(i) PASB to assist IRM Solar Sdn Bhd ("IRM Solar"), a wholly-owned subsidiary company of the Company to complete its 5 Megawatt (MW) solar energy farm in Perlis ("Solar Project") in the manner detailed out in Section 3.1 of the agreement.

(ii) PASB is to assist the Company to regularise its financial conditions by providing a comprehensive regularisation plan ("Proposed Regularisation Plan") comprising a reverse take-over and other ancillary restructuring exercises in the manner set out in Section 3.2 in the agreement.

The Company together with the appointed advisers are presently in the process of working out the detailed plan.

B7 Group's borrowings and debt securities

(a) The Group borrowings are as follows:

	@ 31 DEC 13			@ 31 DEC 12		
	Short term	Long term	Total	Short term	Long term	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured:	57,497	-	57,497	29,945	8,539	38,484
Unsecured:	-	-	-	-	-	-
Total	57,497	-	57,497	29,945	8,539	38,484

(b) All borrowings are denominated in Ringgit Malaysia

B8 Derivative Financial Instruments (Off balance sheet financial instruments)

There is no outstanding derivative financial instruments outstanding as at end of 31 December 2013.

B9 Material litigation

Following are status of outstanding material litigation as at to date:

i. Hong Leong Bank Berhad ("HLBB"), via its appointed solicitor Messrs. Shook Lin & Bok had issued a demand letter dated 20 August 2013 against the Company and Industrial Resins (Malaysia) Sdn. Bhd. ("IRMSB"), its wholly-owned subsidiary, demanding payment for an outstanding banking facility due of RM9,462,491.38 (as at 31 July 2013)

HLBB's appointed solicitor subsequently via its letter dated 22 October 2013 has recalled the banking facilities and demanding payment within seven days for the total outstanding amount due and payable under the banking facilities granted totalling to RM12,539,663.99.

The Group is currently in discussion with HLBB towards formulating a proposed settlement arrangement, expected to be sourced from disposal of identified assets.

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- ii. CIMB Bank Berhad ("CIMB"), via its appointed solicitor Messrs. Anad & Noraini, on 23 September 2013 had issued a Letter of Demand against the IRMSB demanding payment of a sum of RM29,713,367.03 (As at 13 September 2013) together with the interest accruing thereon from 14 September 2013 till date of full settlement owing by IRMSB to CIMB.

CIMB's appointed solicitor subsequently on 23 September 2013 had issued a Letter of Demand against the Company being a Guarantor for a facility granted to IRMSB, demanding payment of a sum of RM26,402,833.27 (As at 13 September 2013) together with the interest accruing thereon from 14 September 2013 till date of full settlement owing by IRMSB to CIMB.

The above banking facility is secured by lands held under Geran 37838, Lot No. 2064 and Geran 29462, Lot 2065 both of Mukim Tebrau, District of Johor Bahru, State of Johor currently under disposal process pursuant to the Sales and Purchase Agreement entered between IRMSB and Pyramid Presentations Sdn. Bhd on 5 September 2013. The balance proceeds to be received from the disposal are expected to partially repay the outstanding amount.

B10 Dividends

There is no dividend declared in respect of the financial period under review.

B11 Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>	<u>4th Quarter</u>
	<u>@31 Dec 13</u>	<u>@31 Dec 12</u>	<u>@31 Dec 13</u>	<u>@31 Dec 12</u>
a. Basic				
Net Profit / (Loss) for the period (RM '000)	(7,984)	(10,331)	(32,360)	(16,685)
Weighted Average Number of shares in issue ('000)	130,000	130,000	130,000	130,000
Basic Earnings / (Loss) per share (sen)	(6.14)	(7.95)	(24.89)	(12.83)

b. Diluted

The Group does not have any convertible securities and accordingly Diluted EPS is not applicable.

B12 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2013.